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C O N F I D E N T I A L ABUJA 001306

SIPDIS

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TAGS: AMGT OFDP KREC NI

SUBJECT: NIGERIA: DEALING WITH UN MISSION DEBT

REF: (A) SECSTATE 84936 (B) USUN 1113

CLASSIFIED BY AMBASSADOR HOWARD F. JETER FOR REASONS 1.5 (B)
AND (D).

¶1. (C) During the course of a June 1 meeting with MFA Permanent Secretary (Ambassador) T.D. Hart, Ambassador Jeter presented a letter describing the need for the GON to address immediately the potentially embarrassing issue of the Nigerian UN Mission's outstanding debt to ConEdison. The Ambassador also told Hart that he had spoken with Nigeria Permrep Arthur Mbanefo recently, who was very concerned about the severe embarrassment this issue might cause Nigeria. Jeter said that we concurred and therefore were approaching the GON quietly to urge that this matter be dealt with promptly.

¶2. (C) Ambassador Hart said he appreciated the concern with which the USG has handled this issue. He described Permrep Mbanefo's past efforts regarding this issue, but added: "The Ministry of Finance has not been entirely sympathetic to our needs." Hart did not go into details, but emphasized that funds had been made available by the Ministry of Finance to settle that particular bill, and said he expected payment to be made in the coming week.

¶3. (C) Jeter mentioned a separate problem gleaned from his conversation with Mbanefo concerning Nigeria's outstanding Mission phone bill in excess of USD 400,000. Hart said that this debt had been incurred during the Abacha Administration and that funds were not available in the Ministry's regular allocation to pay for it. Hart emphasized, however, that the GON would pay its debts. He said that he was working with the Presidency and the Ministry of Finance to obtain adequate funds to honor debts, and to meet the pressing needs of Nigerian Missions around the world. The Permsec was optimistic that funds would be made available soon to address any other outstanding debts of the Nigerian Mission to the UN.

¶2. (C) Comment: There are a substantial number of Abacha-era debts that are still outstanding. The Obasanjo Administration does appear to be trying to pay most of them. The problem is that almost all of these debts were incurred without authorization and in many cases without funds having been made available. The Permsec's assertion that the ConEdison bill would be paid in the following week may be accurate; however, Nigeria's very slow track-record on releasing money from the Ministry of Finance, even after an expenditure has been approved, would indicate a longer delay.

Jeter